



## **FMR CO., INC.**

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This brochure provides information about the qualifications and business practices of FMR Co., Inc. ("FMRC"). Throughout this brochure and related materials, FMRC may refer to itself as a "registered investment adviser" or "being registered." These statements do not in any way imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 617-563-7000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about FMRC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

What follows is a discussion only of the material changes made since the annual update of this brochure was filed on March 29, 2016.

- Updates have been made to the “Brokerage Practices” section to reflect changes to the fixed income trade allocation policy.
- Updates have been made to the “Other Financial Industry Activities and Affiliations” section to reflect various changes in the status of certain entities and the activities in which they engage and to describe certain conflicts related to the management of self-indexing exchange-traded funds.
- In the “Methods of Analysis, Investment Strategies and Risk of Loss” section, additional disclosure has been included concerning regulatory and other investment limits and the impacts thereof.
- In the “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” section, FMRC has enhanced the disclosure concerning conflicts of interest relating to securities in which FMRC, its affiliates or certain other persons have an interest.
- Additional disclosure has been added to the “Brokerage Practices - Other Considerations and Brokerage Arrangements - Transactions Among Clients” section, including a description of the conditions under which FMRC or its affiliates will engage in certain advisory cross transactions.
- The “Voting Client Securities” section has been updated to describe FMRC’s approach to voting proxies for shareholder proposals concerning environmental and social issues.

## TABLE OF CONTENTS

ADVISORY BUSINESS.....	4
FEEES AND COMPENSATION .....	5
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	7
TYPES OF CLIENTS .....	8
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	8
DISCIPLINARY INFORMATION .....	11
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	11
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING .....	17
BROKERAGE PRACTICES .....	18
REVIEW OF ACCOUNTS .....	25
CLIENT REFERRALS AND OTHER COMPENSATION .....	25
CUSTODY.....	25
INVESTMENT DISCRETION .....	26
VOTING CLIENT SECURITIES .....	26
FINANCIAL INFORMATION .....	29
REQUIREMENTS FOR STATE-REGISTERED ADVISERS.....	29

## ADVISORY BUSINESS

FMR Co., Inc. ("FMRC"), a wholly-owned subsidiary of Fidelity Management & Research Company ("FMR"), which itself is wholly-owned by FMR LLC, provides investment supervisory services, including sub-advisory services, to institutional accounts, principally open-end investment companies (also referred to as "mutual funds") and exchange-traded funds ("ETFs") registered under the Investment Company Act of 1940 (the "1940 Act"). FMRC's investment advisory clients also include qualified tuition programs, as defined under Section 529 of the Internal Revenue Code ("Qualified Tuition Programs"). FMRC has been registered with the Securities and Exchange Commission ("SEC") since 1964. FMRC or its affiliates provide all necessary office facilities and personnel for servicing the funds' investments, and pay the salaries and fees of all officers of the funds, of all members of the Boards of Trustees who are "interested persons" of the funds, or FMRC or its affiliates, and of all personnel of the funds, FMRC or its affiliates who perform services relating to research, statistical and investment activities.

As part of its non-discretionary advisory services, FMRC or its affiliates provide investment research services, which may include written research notes and ratings and portfolio modeling services. FMRC may provide this research to other affiliates and unaffiliated investment managers and financial institutions, in some instances on a delayed basis. In addition, FMRC or its affiliates, subject to the supervision of the Board of Trustees of each fund in the Fidelity family of mutual funds and ETFs (the "Fidelity Funds" or the "Fidelity group of funds"), provide the management and administrative services necessary for the operation of the Fidelity group of funds. These services include: providing facilities for maintaining each fund's organization; supervising relations with custodians, transfer and pricing agents, accountants, underwriters and other persons dealing with the funds; at the direction of the funds, preparing all general shareholder communications and conducting shareholder relations; at the direction of the funds, maintaining each fund's records and the registration and notice filing status of each fund's shares under federal and state law; developing management and shareholder services for each fund; and furnishing reports, evaluations and analyses on a variety of subjects to the Board of Trustees of each fund in the Fidelity group of funds. Though FMRC may advise the mutual funds and other institutional accounts it manages regarding certain commodity interests, FMRC is not registered as a commodity pool operator or commodity trading adviser.

FMRC may, to the extent permitted by its advisory contracts, delegate investment discretion over all or a portion of the portfolio to one or more sub-advisers, including FMRC's affiliates and various subsidiaries and affiliates of FIL Limited ("FIL"). If FMRC or its affiliates engages FIL or another unaffiliated entity to sub-advise an FMRC fund or account, or a portion of an FMRC fund or account, the sub-adviser's policies and procedures, including trade allocation and conflicts of interest, may apply to that fund or account, subject to applicable law. FMRC has access to investment research on a substantially delayed basis from various subsidiaries and affiliates of FIL, which are investment advisers registered with the SEC operating principally in the United Kingdom, Japan and Hong Kong or Participating Affiliates (as defined below) of such registered advisers. Certain of FIL's subsidiaries and affiliates, which are companies not registered with the SEC (each, a "Participating Affiliate"), may have access to information (such as through employees who work for both a FIL registered adviser and the unregistered FIL subsidiary or affiliate) concerning securities recommendations for the registered adviser's U.S. clients. FMRC disclaims that it is a related person of FIL.

In the course of FMRC's providing its investment advisory services, a portfolio manager, analyst or other employee of FMRC or its affiliates may, from time to time, express views regarding a particular company, security, industry or market sector. The views expressed by any such person are the views of only that individual as of the time expressed and do not necessarily represent the views of FMRC or its affiliates or any other person in the Fidelity organization. Any such views are subject to change at any time based upon market or other conditions and FMRC disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for an account managed by FMRC or its affiliates are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any such account.

FMRC or its affiliates generally have authority to determine which securities to purchase or sell and the total amount of such purchases and sales. However, with respect to each discretionary account, FMRC's and its affiliates' authority is subject to certain limitations, including the applicable investment objectives, policies and restrictions. These limitations may be based on a variety of factors, including regulatory constraints and policies formally imposed by a client or its governing body (e.g., Board of Trustees) through, for example, a management agreement. With respect to FMRC's registered investment company clients, many of the applicable investment policies and limitations are set forth in each client's registration statement filed with the SEC.

As of December 31, 2016, FMRC managed \$919,536,193,483 of client assets on a discretionary basis. As of December 31, 2016, FMRC did not manage any client assets on a non-discretionary basis.

## FEES AND COMPENSATION

The management fee arrangements with most of FMRC's and its affiliates' mutual fund clients generally consist of one or more of the following elements: a group fee rate, an individual fund fee rate, and a performance adjustment rate. The group fee rate is based on the assets of all of the registered investment companies for which FMR serves as advisor, and the rate decreases as total assets for these registered investment companies increase and vice versa. An individual fund fee rate is the portion of a fund's rate that takes into account the relative costs of executing that individual fund's investment strategy. The performance adjustment rate is the rate at which an individual fund's overall fee rate (i.e., the combined group fee rate and individual fund fee rate) adjusts based on whether the fund out- or underperforms its benchmark. Not all of FMRC's mutual fund and ETF clients will have group fee rates or performance adjustment rates (e.g., clients that have flat fees or all-inclusive fee arrangements).

A generic fee schedule describing these arrangements is provided below:

### *Fee Schedule\**

Group Fee	+	Individual Fund Fee	+/-	Performance Adjustment (if any)	=	Management Fee
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*\* See individual fund's or account's registration statement or offering document for fee schedules specific to the fund or account*

For certain equity funds that have performance adjustments, the performance adjustment rate is calculated monthly by comparing the fund's performance relative to a benchmark over a 36-month performance period. The maximum annualized performance adjustment rate is  $\pm 0.20\%$  of the fund's average net assets over the performance period. The performance adjustment rate is divided by twelve and multiplied by the fund's average net assets over the performance period, and the resulting dollar amount is then added to or subtracted from the basic fee.

The fees of bond and money market (also referred to as "fixed income") funds generally are fixed fees based on assets or a combination of a group fee rate and an individual fund fee rate, or fees that vary both with assets and fund income.

The specific rate charged to any particular fund may vary based on the application of the individual fund fee rate, group fee rate, and performance adjustment fee, if any. The fee applicable to any fund, along with its fee schedule, is disclosed in that fund's registration statement or offering document.

FMRC or its affiliates generally pay the organizational and promotional expenses of mutual funds and ETFs comprising the Fidelity group of funds. The majority of FMRC's clients in the Fidelity group of funds pay all of their other operating expenses. However, certain of FMRC's clients have "all-inclusive fee" arrangements or other expense limitation agreements, pursuant to which FMRC or its affiliates pay certain of the mutual fund's and ETF's operating expenses.

FMRC may provide non-discretionary advisory services, primarily in the form of research services, to other affiliated and unaffiliated investment managers or financial institutions, in some instances on a delayed basis. With respect to such services, fees are negotiable, paid in arrears, and generally relate to the amount of assets benefiting from the research or other advisory services.

In the case of investment companies registered under the 1940 Act, both the advisory contract with the fund's adviser and the sub-advisory agreement between FMRC and the adviser, if applicable, are subject to approval by the Board of Trustees, including trustees who are not interested persons (as defined in the 1940 Act) ("Independent Trustees"), of each mutual fund and ETF. The fees for providing these services are negotiated on an individual basis and may vary significantly among clients. When serving as a sub-adviser to investment companies managed by FMR [or its affiliates], FMRC's basic fee schedule for discretionary mutual fund and ETF portfolio management generally consists of a percentage of the management fee (typically 50%) payable by each portfolio to FMR.

Compensation to FMRC or its affiliates is deducted from a registered investment company's assets and is payable on a monthly basis in arrears or on such other terms as FMRC and/or its affiliates and the particular client may from time to time agree. When FMRC is serving as a sub-adviser to investment companies managed by FMR, FMR pays FMRC. Any investment advisory agreement concerning a registered investment company will terminate within two years of the effective date of the investment advisory agreement unless renewed by the investment company in a manner permitted by Section 15 of the 1940 Act. Any such agreement shall also terminate upon assignment or upon sixty (60) days' advance written notice by any party to the agreement or by the investment company concerned.

For FMRC clients that are not registered investment companies, compensation to FMRC is deducted from that client's assets in arrears generally on a monthly basis or at such other time as agreed between FMRC and/or its affiliates and the particular client. When FMRC is serving as a sub-adviser to clients that are not registered investment companies, the adviser to those clients may pay FMRC directly. FMRC and/or its affiliates and the particular client may also agree to other terms of compensation from time to time.

FMRC or its affiliates may, from time to time, voluntarily or contractually agree to reimburse certain investment company clients for management fees and other expenses above a specified limit. FMRC or its affiliates retain the ability to be repaid by such clients if expenses fall below the specified limit prior to the end of the client fiscal year. Reimbursement arrangements can decrease a fund's expenses and enhance its performance. Voluntary reimbursement arrangements may be discontinued by FMRC or its affiliates at any time.

In addition to any management fee payable to FMRC or its affiliates, fees payable to the transfer agent and pricing and bookkeeping agent, and costs associated with securities lending, most funds in the Fidelity group of funds or classes thereof, as applicable, pay all fund expenses that are not assumed by those parties. Most funds pay for the typesetting, printing, and mailing of their proxy materials to shareholders, legal expenses, and the fees of the custodian, auditor, and Independent Trustees. Most funds' management contracts further provide that the fund will pay for typesetting, printing, and mailing prospectuses, statements of additional information, notices, and reports to shareholders; however, under the terms of these funds' transfer agent agreements, the transfer agent bears these costs. Other expenses paid by a fund generally include interest, taxes, brokerage commissions, the fund's proportionate share of insurance premiums and Investment Company Institute dues, and the costs of registering shares under federal securities laws and making necessary filings under state securities laws. A fund is also liable for such non-recurring expenses as may arise, including costs of any litigation to which the fund may be a party, and any obligation it may have to indemnify its officers and Trustees with respect to litigation. For information regarding FMRC's and its affiliates' brokerage arrangements, see "Brokerage Practices" on page 18.

All fees under the Qualified Tuition Programs payable to FMRC and its affiliates are payable in accordance with the terms of the contractual arrangements between the state sponsoring the program

and FMRC and its affiliates, and are negotiated on a case-by-case basis. The trustee(s) of each program pays FMRC fees for its services, pursuant to the terms of the contract negotiated with each state or state agency. Generally speaking, fees are dependent upon the net assets of each investment portfolio, and the types of investments managed by FMRC.

For the Qualified Tuition Programs, the trust also bears fund expenses as a shareholder of the funds in which it invests. In the case of an investment in a Fidelity Fund, such expenses may include investment advisory and other fees payable to FMRC and/or its affiliates. FMRC may have an incentive to cause the assets of the Qualified Tuition Programs' investment portfolios to be invested in funds with respect to which FMRC and/or its affiliates receive greater compensation than other funds. FMRC and its affiliates have adopted policies and procedures and maintain a compliance program designed to help manage these actual and potential conflicts.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The management of multiple funds and accounts (including proprietary accounts of FMRC or one or more of its affiliates) may give rise to potential conflicts of interest if the funds and accounts have different objectives, benchmarks, time horizons, and fees as the portfolio manager must allocate his or her time and investment ideas across multiple funds and accounts. As described in "Fees and Compensation" on page 5, certain equity funds in the Fidelity group of funds have management fees that include a performance adjustment component. Where a portfolio manager manages such multiple funds and accounts, and some of those funds and accounts include performance-adjusted fees and others do not, the portfolio manager may have an incentive to favor those funds and accounts that include a performance-adjusted component.

Potential conflicts of interest may also arise if the funds' or accounts' orders do not get fully executed due to being aggregated with those of other funds or accounts managed by FMRC or an affiliate. The portfolio manager also may execute transactions for another fund or account that may adversely impact the value of securities held by a fund. For example, the portfolio manager may manage other funds or accounts that engage in short sales, and could sell short a security for a fund or account where other funds or accounts may trade or hold the shorted security. Although FMRC or its affiliates monitor such transactions to attempt to ensure equitable treatment of both the fund or account and a fund or account that engages in short sales, there can be no assurance that the price of a security held by the fund or account would not be impacted as a result. Also, securities selected for a particular fund or account may outperform the securities selected for other funds or accounts managed by the same portfolio manager. Portfolio managers may be permitted to invest in the funds or accounts they manage, even if a fund or account is closed to new investors.

FMRC may provide research in the form of portfolio modeling services to an affiliated investment manager who may utilize such services in connection with the management of its own client accounts ("Consumer Accounts"). The model portfolios provided may reflect trading decisions previously made by FMRC for its discretionary client accounts. In such circumstances, a Consumer Account may receive prices that are more or less favorable than the prices obtained by FMRC for its discretionary client accounts, particularly with respect to thinly traded securities. Aggregate regulatory and other investment limits applicable to such prior trading decisions, and to FMRC's and its affiliates' client accounts generally, may result in investment opportunities not being included in a model portfolio. In addition, where an FMRC portfolio manager manages a model portfolio in addition to a fund or account, the portfolio manager may have an incentive to favor the model portfolio, fund or account that pays a higher fee, which may include a performance-adjusted component. FMRC does not have an advisor-client relationship with Consumer Accounts or the investors therein.

FMRC has adopted policies and procedures and maintains a compliance program designed to help manage such potential conflicts, which include trade allocation policies approved by the Fidelity Funds' Boards of Trustees. These policies and procedures seek to ensure that FMRC is not favoring one fund or account over another, and that trading for all funds and accounts is conducted in a fair and equitable

manner. There can be no assurance, however, that all conflicts have been addressed in all situations. For more information regarding conflicts of interests relating to the management of multiple funds and accounts, see “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” on page 17.

## **TYPES OF CLIENTS**

FMRC is wholly-owned by FMR, a registered investment adviser. FMR's clients are generally mutual funds or other institutional accounts. FMRC generally serves as sub-adviser to equity and high income mutual funds and institutional accounts, and equity and high income portions of mutual funds and institutional accounts, managed by FMR. FMRC may also serve as adviser to registered equity and high income funds, funds-of-funds, multi-manager funds, ETFs and Qualified Tuition Programs and may provide investment advisory services to investment companies or other institutional accounts as sub-adviser for affiliated and unaffiliated advisers. FMRC also may serve as an adviser or sub-adviser to various accounts for which FMRC's affiliates or FIL, FIL's subsidiaries or affiliates have contracted to provide investment advisory services. These accounts include, among others, unit and investment trusts, collective investment trusts, and investment companies authorized in jurisdictions outside the United States and Canada. FMRC may provide investment supervisory services on behalf of clients of affiliated or unaffiliated advisers following similar investment strategies that FMRC uses for another client.

FMRC will generally accept only investment company clients, or similar foreign mutual fund clients, and Qualified Tuition Plans on a fully discretionary basis (subject to whatever limitations have been set forth by the client's or fund's investment objectives, policies and restrictions, and as may be imposed by law). To the extent other accounts would be considered, an initial amount of \$5,000,000 would generally be required.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

FMRC may use a variety of methods of security analysis to select investments in managing client assets, including fundamental analysis (i.e., evaluating each issuer's financial condition, industry position, and the market and economic conditions impacting their profitability); quantitative analysis (i.e., mathematical and statistical modeling); technical analysis (i.e., statistical analysis of market activity); cyclical analysis (i.e., evaluating issuers based in part on their sensitivity to business cycles); and factor-based analysis (i.e., evaluating investment opportunities based on exposure to targeted characteristics). FMRC may also use general macro-economic analysis as a component of its security analysis methods. In addition to relying on public financial statement information, FMRC may use extensive corporate visits and interviews with issuer management teams in conducting research.

FMRC may use a wide variety of investment strategies in managing client assets according to client investment objectives, including, but not limited to, investing in: stocks and other public and private equity securities; bonds and other debt securities of all types and repurchase agreements for those securities; real estate related investments of all types; derivatives, such as index futures, covered and uncovered options; interest rate, total return and credit default swaps, swaptions, and equity-linked notes; currency spot and forward trading and other currency related derivatives; other affiliated and unaffiliated investment funds, including actively-managed and indexed equity, bond and money market funds, and ETFs; and, FMR's or its affiliates' central funds (specialized investment vehicles used by Fidelity Funds to invest in particular security types or investment disciplines, or for cash management). FMRC invests in securities of companies engaged in a variety of economic sectors and industries that are domiciled in the U.S. and outside the U.S. (in developed, emerging and frontier markets); in stocks with growth or value characteristics; and in companies with market capitalizations of all sizes. With respect to money market funds, FMRC observes industry-standard regulatory requirements for money market funds for the quality, maturity, and diversification of investments. Multi-manager funds are structured so that FMRC can hire affiliated and unaffiliated sub-advisers to manage sub-portfolios of individual securities, buy and sell



mutual funds and ETFs, including mutual funds and ETFs that are managed by FMRC and/or its affiliates, and hold all of these securities within one fund.

With respect to strategies that consist of investing in underlying funds, the factors considered when making an investment may include, but are not limited to, fund performance, a fund manager's experience and investment style, fund company infrastructure, and fund characteristics such as expense ratio, asset size, and portfolio turnover.

FMRC may use a variety of trading approaches to implement its investment strategies, including cash trading on- and off- exchange, covered short sales, margin transactions, and option writing, including covered options, uncovered options or spreading strategies. Margin may be required in connection with certain client futures and options transactions or in connection with short sales. FMRC does not engage in the purchase of securities on margin, except it may do so in connection with clearance and settlement of securities transactions. The extent to which any of these strategies is used on behalf of any one client is based on that client's investment objective, policies and restrictions.

In addition, FMRC may engage in securities lending to parties such as broker-dealers or other institutions. FMRC has established policies for its clients reasonably designed to ensure that lending opportunities are apportioned appropriately among them over time. When supply/demand is insufficient to satisfy all eligible clients, lending opportunities are generally apportioned based on the client's security position size as a percentage of the client's net assets in that particular security.

The strategies presented above pose risks, and many factors affect each fund's or account's performance. Strategies that pursue investments in equities will be subject to stock market volatility, and strategies that pursue fixed-income investments (such as bond or money market funds) will see values fluctuate in response to changes in interest rates. All strategies are ultimately affected by impacts to the individual issuers, such as changes in an issuer's profitability and credit quality, or changes in tax, regulatory, market or economic developments. Non-diversified funds and accounts that invest in a smaller number of individual issuers can be more sensitive to these changes. Nearly all funds or accounts are subject to volatility in non-U.S. markets, either through direct exposure or indirect effects on U.S. markets from events abroad, including fluctuations in foreign currency exchange rates and, in the case of less-developed markets, currency illiquidity. Those funds and accounts with investments in emerging markets are potentially subject to heightened volatility from greater social, economic, regulatory, and political uncertainties, as the extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight can be less than in more developed markets. Trading, settlement, and custodial practices (including those involving securities settlement where fund or account assets may be released prior to receipt of payment) in non-U.S. markets may be less developed than those in U.S. markets and may result in increased investment or valuation risks, increased counterparty exposure, or substantial delays (including those arising from failed trades or the insolvency of, or breach of duty by, a broker-dealer, securities depository, sub-custodian, clearinghouse or other party). Additionally, funds or accounts that pursue debt investments are subject to risks of prepayment or default, and funds or accounts that pursue strategies that concentrate in particular industries or are otherwise subject to particular segments of the market (e.g., money market funds' exposure to the financial services industry, municipal funds' exposure to the municipal bond market, or international or emerging markets funds' exposure to a particular country or region) may be significantly impacted by events affecting those industries or markets. Strategies that lead funds or accounts to invest in other funds bear all the risks inherent in the underlying funds in which those funds invest, and strategies that pursue leverage risk, including investment in derivatives—such as swaps (interest rate, total return, and credit default) and futures contracts—and forward-settling securities, magnify market exposure and losses. Additionally, funds and accounts may be subject to operational risks, which can include risks of loss arising from failures in internal processes, people or systems, such as routine processing errors or major systems failures, or from external events, such as securities exchange outages. While FMRC has implemented a program to provide ongoing oversight of the sub-advisers it selects for multi-manager funds or other funds and accounts, the sub-advisers make the day-to-day investment decisions for the portions of the funds and accounts they manage,

Ultimately, a fund's or account's share price and/or net asset value changes daily based on changes in market conditions, foreign currency exchange rates and interest rates, and in response to other economic, political, or financial developments. A fund's or account's reaction to these events will be affected by the types of securities in which the fund or account invests, the financial condition, industry and economic sector, and geographic location of an issuer; and the fund's or account's level of investment in the securities of that issuer. A fund's or account's investment in such securities involves risk of loss that clients of the fund or account would, and should, be prepared to bear. When a shareholder sells or redeems shares in the fund, the shares may be worth more or less than what the shareholder paid for them, which means that the shareholder could lose money by investing in the fund. Similarly, an account owner could lose money due to a decline in the account's net asset value.

Due to regulatory and issuer-specific limits that apply to the ownership of securities of certain issuers, FMRC and its affiliates may limit investments in the securities of such issuers. Similar limitations may apply to futures and other derivatives, such as options. In addition, FMRC and/or its affiliates may from time-to-time determine that, because of regulatory requirements that may apply to FMRC and/or its affiliates in relation to investments in a particular country or in an issuer operating in a particular regulated industry, investments in the securities of issuers domiciled or listed on trading markets in that country or operating in that regulated industry above certain thresholds may be impractical or undesirable. The foregoing limits and thresholds may apply at the account level or in the aggregate across all accounts (or certain subsets of accounts) managed, sponsored, or owned by, or otherwise attributable to, FMRC and its affiliates. For investment risk management and other purposes, FMRC and its affiliates also generally apply internal aggregate limits on the amount of a particular issuer's securities that may be owned by all such accounts. In connection with the foregoing limits and thresholds, FMRC may limit or exclude clients' investment in a particular issuer, future, derivative and/or other instrument (or limit the exercise of voting or other rights) and investment flexibility may be restricted. In addition, to the extent that client accounts already own securities that directly or indirectly contribute to such an ownership threshold being exceeded, FMRC may sell securities held in such accounts in order to bring account-level and/or aggregate ownership below the relevant threshold. In the event that any such sales result in realized losses for client accounts, those client accounts may bear such losses depending on the particular circumstances.

FMRC and its affiliates may establish internal limits, and may be subject to external limits, on how much they may cause the funds and accounts they manage to invest in any one other fund. Additionally, regulatory restrictions may limit the amount that one fund can invest in another, which means that FMRC may be limited in the amount it can cause a fund it manages to invest in any particular fund.

With respect to FMRC's mutual fund, ETF, and other institutional account clients, more detailed information relating to the methods and strategies and their associated risks are set forth in that fund's or account's prospectus and registration statement filed with the SEC or other applicable offering document.

With the increased use of technologies to conduct business, FMRC and its affiliates are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment or systems; or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting FMR, its affiliates, or any other service providers (including, but not limited to, accountants, custodians, transfer agents and financial intermediaries used by a fund or account) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate NAV, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a fund or account invests, counterparties with which a fund or account engages in transactions,

governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers) and other parties.

## **DISCIPLINARY INFORMATION**

On March 5, 2008 the SEC issued a settlement order which contained the following findings, which FMRC and an advisory affiliate ("Fidelity") neither admitted nor denied: (1) Fidelity failed to reasonably supervise its employees' receipt of travel, entertainment and gifts from brokers; (2) Fidelity failed to seek best execution for its clients' securities transactions; (3) Fidelity failed to disclose the material conflict of interest arising from the receipt by certain employees of travel, entertainment and gifts from brokers; (4) Fidelity made materially false and misleading statements and omissions about its selection of brokers; and (5) Fidelity failed to keep certain communications with brokers concerning the placing or execution of orders to purchase or sell securities. Pursuant to the settlement order, Fidelity agreed to (1) cease and desist from certain conduct, (2) a censure, (3) payment of an \$8,000,000 fine by Fidelity to the United States Treasury, and (4) compliance with various undertakings relating to the engagement of an independent compliance consultant.

A March 5, 2008 SEC settlement order contained a finding that Mr. Peter Lynch, a Director and Vice Chairman of FMR, caused two traders employed at FMRC to accept compensation in the form of tickets they obtained from brokers. Mr. Lynch neither admitted nor denied this finding. Pursuant to the settlement order, Mr. Lynch agreed to cease and desist from certain conduct and pay disgorgement of \$15,948.68 and prejudgment interest of \$4,183.83 to the United States Treasury.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Broker-Dealers**

FMRC has relationships or arrangements with the following broker-dealers:

Fidelity Distributors Corporation ("FDC"), a wholly-owned subsidiary of FMR LLC, acts as principal underwriter and general distribution agent of the registered investment companies advised by FMR. FDC is a registered broker-dealer under the Securities Exchange Act of 1934 ("Exchange Act").

Fidelity Brokerage Services LLC ("FBS"), a wholly-owned subsidiary of Fidelity Global Brokerage Group, Inc., is a registered broker-dealer under the Exchange Act, and provides brokerage products and services including the sale of shares of investment companies advised by FMR to individuals and institutions including retirement plans administered by affiliates. Pursuant to referral agreements and for compensation, representatives of FBS may refer customers to various services offered by FBS's related persons. In addition, FBS is the distributor of insurance products, including variable annuities, which are issued by FMRC's related persons, Fidelity Investments Life Insurance Company ("FIL") and Empire Fidelity Investments Life Insurance Company ("EFIL"). FBS may provide shareholder services to certain of FMRC's or FMRC's affiliates' clients.

Fidelity Global Brokerage Group, Inc., a wholly-owned subsidiary of FMR LLC, wholly-owns two broker-dealers: Fidelity Brokerage Services LLC and National Financial Services LLC, and also has an equity interest in eBX LLC ("eBX"), a holding company and a registered broker-dealer under the Exchange Act, which was formed for the purpose of developing, owning and operating an alternative trading system, the "Level ATS." Transactions for clients of FMRC or other entities for which FMRC serves as adviser or sub-adviser or provides discretionary trading services, as well as clients of FMRC's affiliates, may be executed through the Level ATS. FMRC disclaims that it is a related person of eBX.

Fidelity Clearing Canada ULC ("FCC") is engaged in the institutional brokerage business and provides clearing and execution services for other brokers. FCC is an indirect, wholly-owned subsidiary of 483 Bay

Street Holdings LP, which is a joint venture between FIL Limited and Fidelity Canada Investors LLC. Certain owners of Fidelity Canada Investors LLC are also employees of FMR LLC.

National Financial Services LLC ("NFS") is engaged in the institutional brokerage business and provides clearing and execution services for other brokers. NFS is a wholly-owned subsidiary of Fidelity Global Brokerage Group, Inc., a holding company that provides administrative services to NFS. Fidelity Capital Markets ("FCM"), a division of NFS, may execute transactions for FMRC's or FMRC's affiliates' investment company and other clients. Additionally, NFS operates CrossStream, an alternative trading system that allows orders submitted by its subscribers to be crossed against orders submitted by other subscribers. NFS charges a commission to both sides of each trade executed in CrossStream. CrossStream may be used to execute transactions for FMRC's or FMRC's affiliates' investment company and other advisory clients. NFS is a registered broker-dealer under the Exchange Act and NFS is also registered as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act"). NFS may serve as a clearing agent for client transactions that FMRC places with certain broker-dealers. NFS may provide transfer agent or sub-transfer agent services and custodial services to certain of FMRC's or FMRC's affiliates' clients.

Luminex Trading & Analytics LLC ("LTA"), a registered broker-dealer and alternative trading system, was formed for the purpose of establishing and operating an electronic execution utility (the "LTA ATS") that allows orders submitted by its subscribers to be crossed against orders submitted by other subscribers. FMR LLC is the majority owner of LTA. LTA charges a commission to both sides of each trade executed in the LTA ATS. The LTA ATS may be used to execute transactions for FMRC's or FMRC's affiliates' investment company and other advisory clients. NFS serves as a clearing agent for transactions executed in the LTA ATS.

FMRC is authorized to place portfolio transactions with FCM and use CrossStream and LTA ATS, alternative trading systems operated by NFS, and LTA, respectively, if it reasonably believes the quality of the transaction is comparable to what it would be with other qualified broker-dealers. In addition, FMRC may place client trades with broker-dealers that use NFS or FCC as a clearing agent.

In all cases, transactions executed by affiliated brokers on behalf of investment company clients are effected in accordance with Rule 17e-1 under the 1940 Act, and procedures approved by the Trustees of FMRC's or FMRC's affiliates' clients in the Fidelity group of funds.

FCM and LTA may cross transactions on an agency basis between clients of FMRC or its affiliates, including investment company clients, non-investment company clients, and other non-advisory clients (agency cross transactions), as permitted by applicable rules and regulations. Such transactions will be executed, to the extent required by law, in accordance with (i) Rule 206(3)-2 under the Advisers Act, requiring written consent, confirmations of transactions and annual reporting, and (ii) procedures adopted by the Board of Trustees of FMRC's or FMRC's affiliates' clients in the Fidelity group of funds pursuant to Rule 17e-1 under the 1940 Act.

Fidelity Investments Institutional Services Company, Inc. ("FIISC") primarily markets Fidelity mutual funds and other products advised by FMR or an affiliate thereof to third party financial intermediaries and certain institutional investors. FIISC is a registered broker-dealer under the Exchange Act.

The potential conflicts of interest that may arise from dealings with affiliated brokers are governed by various policies adopted by the Fidelity Funds Boards of Trustees. For example, Section 10(f) of the 1940 Act is intended to prevent affiliated underwriters from "dumping" undesirable securities on funds or otherwise using fund purchases to benefit the underwriting syndicate. In accordance with Rule 10f-3, the Fidelity Funds Boards of Trustees have adopted procedures by which the funds may purchase securities in offerings for which FCM acts as a principal underwriter, provided that certain conditions are satisfied. FMRC or its affiliates report quarterly to the Board any purchases by the funds in such offerings. Additionally, Section 17(a) prevents affiliated brokers on their own behalf from selling securities to or buying securities from the funds, except to the extent allowed by law, in order to prevent those affiliated brokers from taking advantage of the funds. The Fidelity Funds Boards of Trustees have adopted policies

and procedures preventing affiliated brokers from engaging in such transactions, except to the extent allowed by law. Furthermore, Section 17(e) prevents affiliated brokers from charging excessive fees for transactions on behalf of the funds. Under Rule 17e-1, affiliated brokers may receive a “usual and customary brokerage commission” in connection with transactions effected on a securities exchange, and the Rule 17e-1 procedures adopted by the Fidelity Funds Boards of Trustees ensure that the fees do not exceed the usual and customary requirements.

## **Investment Companies**

FMRC provides portfolio management services for a number of investment companies, including investment companies in the Fidelity group of funds. FMRC disclaims that it is a related person of the investment companies for which it provides investment management services.

## **Other Investment Advisers**

FMRC or its affiliates have relationships or arrangements with the following investment advisers:

Fidelity Management & Research Company (“FMR”), the parent company of FMRC, is a wholly-owned subsidiary of FMR LLC and is a registered investment adviser under the Advisers Act. FMR principally provides portfolio management services as an adviser or a sub-adviser to registered investment companies. FMR may also provide portfolio management services as an adviser or sub-adviser to clients of other affiliated and unaffiliated advisers.

Fidelity Investments Money Management, Inc. (“FIMM”) is a wholly-owned subsidiary of FMR LLC and a registered investment adviser under the Advisers Act. FIMM provides portfolio management services as an adviser or sub-adviser to certain of FMR’s clients and Fidelity Funds. FIMM also provides portfolio management services as an adviser or sub-adviser to clients of other affiliated and unaffiliated advisers.

FMR Investment Management (UK) Limited (“FMRIM (UK)”), an indirect wholly-owned subsidiary of FMR, is registered as an investment adviser under the Advisers Act and is authorized by the U.K. Financial Conduct Authority to provide investment advisory and portfolio management services. FMRIM (UK) provides investment advisory and portfolio management services as a sub-adviser to certain of FMR’s clients, including investment companies in the Fidelity group of funds, and also provides trading services to FMR and its affiliates. FMRIM (UK) may provide portfolio management services as an adviser or sub-adviser to clients of other affiliated and unaffiliated advisers. FMRIM (UK) is also registered with the Central Bank of Ireland.

Fidelity Management & Research (Japan) Limited (“FMR (Japan)”), a direct wholly-owned subsidiary of FMR, is a registered investment adviser under the Advisers Act and is authorized by the Japan Financial Services Agency (Kanto Local Finance Bureau) to provide investment advisory and discretionary investment management services. FMR (Japan) supplies investment research and investment advisory information and provides discretionary investment management services to certain clients of FMR, including investment companies in the Fidelity group of funds, and to clients of other affiliated and unaffiliated advisers.

Fidelity Management & Research (Hong Kong) Limited (“FMR (Hong Kong)”), a wholly-owned subsidiary of FMR, is a registered investment adviser under the Advisers Act and is authorized by the Hong Kong Securities and Futures Commission to advise on securities, provide asset management services, and conduct equity trading services. FMR (Hong Kong) provides investment advisory or portfolio management services as a sub-adviser with respect to certain clients of FMR, including investment companies in the Fidelity group of funds, and also provides trading services to FMR and its affiliates. FMR (Hong Kong) provides portfolio management services as an adviser or sub-adviser to clients of other affiliated and unaffiliated advisers.

Fidelity SelectCo, LLC ("SelectCo") is a wholly-owned subsidiary of FMR LLC and a registered investment adviser under the Advisers Act. SelectCo provides portfolio management services as an adviser to certain of FMR's clients and Fidelity Funds.

Strategic Advisers, Inc. ("SAI") is a wholly-owned subsidiary of FMR LLC and is a registered investment adviser under the Advisers Act. SAI provides discretionary and non-discretionary investment management services and acts as the investment manager to registered investment companies and various retail accounts, including separately managed accounts. FMRC provides portfolio management services as a sub-adviser to certain of SAI's customers. Additionally, FMRC provides portfolio modeling services to SAI.

FIAM LLC ("FIAM") is a wholly-owned subsidiary of FIAM Holdings Corp., which in turn is wholly-owned by FMR LLC, and provides investment management services, including sub-advisory services to FMR or its affiliates. FIAM is a registered investment adviser under the Advisers Act. FIAM is also registered with the Central Bank of Ireland.

Fidelity (Canada) Asset Management ULC ("FCAM") is an indirect, wholly-owned subsidiary of 483 Bay Street Holdings LP, which is a joint venture between FIL Limited and Fidelity Canada Investors LLC. FCAM is registered as a portfolio manager and a commodity trading manager with the Ontario Securities Commission. FCAM also maintains a branch office in Montreal, Quebec that is registered with the Autorité des marchés financiers as a portfolio manager. Certain employees of FCAM may from time to time provide certain research and investment management services for FIAM, which FIAM may also provide to its clients. FCAM has been deemed to be a "Participating Affiliate" of FIAM as described below. Certain owners of Fidelity Canada Investors LLC are also employees of FMR LLC.

Ballyrock Investment Advisors LLC ("Ballyrock") is a wholly-owned subsidiary of FMR LLC, and is registered as an investment adviser under the Advisers Act. Ballyrock provides investment advisory services to various types of institutional accounts, with a focus on investments in high yield debt securities, including bank loans. FMRC may provide portfolio management services as a sub-adviser to clients of Ballyrock.

Impresa Management LLC ("Impresa") is owned by trusts, the trustees of which are individuals, certain of whom are employees of FMR LLC. Impresa is a registered investment adviser under the Advisers Act and may serve as investment adviser to (i) certain limited liability companies and limited partnerships that are employees' securities companies as defined under Section 2(a)(13) of the 1940 Act (the "Employee Entities"); and (ii) certain collective investment entities in which the Employee Entities invest (the "Second Tier Entities"). Impresa acts as the manager or general partner of the Employee Entities and as the general partner to various entities that in turn act as general partner to the Second Tier Entities. Impresa Management may also provide investment advisory services as an adviser or sub adviser to other affiliated or unaffiliated entities. Impresa may place orders in public securities with FMR's affiliates' trading personnel for execution.

Fidelity Investments Canada ULC ("FIC") is an indirect, wholly-owned subsidiary of 483A Bay Street Holdings LP, which is a joint venture between FIL Limited and Fidelity Canada Investors LLC. FIC, a registered investment fund manager and mutual fund dealer in all provinces and territories of Canada, provides management and administrative services to Canadian mutual funds, pooled funds and institutional accounts. FMRC or its affiliates may serve as sub-adviser for accounts managed or distributed by FIC or its affiliates. Certain owners of Fidelity Canada Investors LLC are also employees of FMR LLC.

FIL Limited ("FIL"), a Bermuda company, was incorporated in 1969 and serves as investment manager and adviser to non-U.S. funds and institutional accounts. FMRC disclaims that it is a related person of FIL.

FIL Investments (Japan) Limited ("FIJ") is an indirect wholly-owned subsidiary of FIL and is registered as an investment adviser under the Advisers Act. FIJ may provide research, investment advisory and

discretionary investment management services to FMR's or its affiliates' clients with respect to Japan and other Asian countries and issuers, and may serve as sub-adviser (generally through a delegation from FIL Investment Advisors) for certain of FMR's clients. FIJ may recommend to its clients, or invest in on behalf of its clients, securities that are the subject of recommendations to, or discretionary trading on behalf of, FMR's or its affiliates' clients. FMRC disclaims that it is a related person of FIJ.

FIL Investment Advisors ("FIA") is a wholly-owned subsidiary of FIL and is registered as an investment adviser under the Advisers Act. FIA may provide research, investment advisory and discretionary investment management services to FMR's or its affiliates' clients with respect to companies outside the United States, and may serve as sub-adviser for certain of FMR's or its affiliates' clients. FIA may recommend to its clients, or invest in on behalf of its clients, securities that are the subject of recommendations to, or discretionary trading on behalf of, FMR's or its affiliates' clients. FMRC disclaims that it is a related person of FIA.

FIL Investment Advisors (UK) Limited ("FIA (UK)") is an indirect, wholly-owned subsidiary of FIL and is registered as an investment adviser under the Advisers Act. FIA (UK) may provide research, investment advisory and discretionary investment management services to certain of FMR's or its affiliates' clients with respect to companies outside the United States and serves as sub-adviser (generally through a delegation from FIA) for certain of FMR's or its affiliates' clients. FIA (UK) may recommend to its clients, or invest in on behalf of its clients, securities that are the subject of recommendations to, or discretionary trading on behalf of, FMR's or its affiliates' clients. FMRC disclaims that it is a related person of FIA (UK).

FIL Investment Management (Singapore) Limited ("FI(S)L") is an indirect wholly-owned subsidiary of FIL and is a "Participating Affiliate" of FIA. FI(S)L may, under the supervision and review of FIA and in accordance with FIA's applicable investment guidelines and compliance policies, determine the securities to be purchased and sold for a limited number of FIA's clients. FI(S)L may recommend to its clients, or invest in on behalf of its clients, securities that are the subject of recommendations to, or discretionary trading on behalf of, FMR's or its affiliates' clients. FMRC disclaims that it is a related person of FI(S)L.

FMRC or its affiliates may provide certain investment management personnel to or use the investment management personnel of certain of the foregoing investment advisors under personnel sharing arrangements or other inter-company agreements. In addition, FMRC or its affiliates may provide certain administrative services to certain of the foregoing investment advisors, including, but not limited to, securities and derivatives trade execution, investment compliance and proxy voting.

## **Banking or Thrift Institutions**

FMRC or its affiliates have relationships or arrangements with the following banking and trust institutions:

Fidelity Management Trust Company ("FMTC"), a trust company organized and operating under the laws of The Commonwealth of Massachusetts, provides non-discretionary trustee and custodial services to employee benefit plans and IRAs through which individuals may invest in mutual funds managed by FMRC or its affiliates, and discretionary investment management services to institutional clients and acts as trustee and investment manager of collective investment trusts. FMTC is a wholly-owned subsidiary of FMR LLC.

Fidelity Personal Trust Company, FSB ("FPTC") is a federal savings bank limited to trust powers. FPTC is an indirect, wholly-owned subsidiary of FMR LLC. FPTC provides Trustee or Co-Trustee, agent for trustee, custody, recordkeeping, and investment management services to various trust accounts.

Fidelity Institutional Asset Management Trust Company ("FIAM TC"), a non-depository trust company organized under the laws of the State of New Hampshire, provides investment management services principally for institutional clients, including employee benefit plans and acts as trustee and investment manager of collective investment trusts. FIAM TC is a wholly-owned subsidiary of FIAM Holdings Corp., which in turn is wholly-owned by FMR LLC.

FMRC or its affiliates may provide certain investment management personnel to certain of the foregoing banking and trust institutions under personnel sharing arrangements or other inter-company agreements. In addition, FMRC or its affiliates may provide certain administrative services to certain of the foregoing banking and trust institutions, including, but not limited to, securities and derivatives trade execution, investment compliance and proxy voting.

### **Insurance Companies or Agencies**

FMRC or its affiliates have relationships or arrangements with the following insurance companies and agency:

Fidelity Investments Life Insurance Company ("FIL"), a wholly-owned subsidiary of FMR LLC, is engaged in the distribution and issuance of life insurance and annuity products that may offer shares of investment companies managed by FMR or its affiliates.

Empire Fidelity Investments Life Insurance Company ("EFIL"), a wholly-owned subsidiary of FIL, is engaged in the distribution and issuance of life insurance and annuity products that may offer shares of investment companies managed by FMR or its affiliates to residents of New York.

Fidelity Insurance Agency, Inc., a wholly-owned subsidiary of FMR LLC, is engaged in the business of selling life insurance and annuity products of affiliated and unaffiliated insurance companies.

### **Participating Affiliates**

Fidelity Business Services India Private Limited ("FBS India"), with its registered office in Bangalore, is incorporated under the laws of India and is ultimately owned by FMR LLC through certain of its respective direct or indirect subsidiaries. Certain employees of FBS India (FBS India Associated Employees) may from time to time provide certain research services for FMR and its affiliates, which FMR and its affiliates may use for their U.S. clients.

FCAM is a wholly-owned subsidiary of 483 Bay Street Holdings LP, which is a joint venture between FIL Limited and Fidelity Canada Investors LLC. FCAM is registered as a portfolio manager and a commodity trading manager with the Ontario Securities Commission. FCAM also maintains a branch office in Montreal, Quebec that is registered with the Autorité des marchés financiers as a portfolio manager. Certain employees of FCAM may from time to time provide certain research and investment management services for FIAM, which FIAM may also provide to its clients.

Neither FCAM nor FBS India is registered as an investment adviser under the Advisers Act and each is deemed to be a "Participating Affiliate" (as this term has been used by the SEC's Division of Investment Management in various no-action letters granting relief from the Advisers Act's registration requirements for certain affiliates of registered investment advisers). FCAM is a Participating Affiliate of FIAM. FBS India is a Participating Affiliate of FMR. FIAM and FMR deem their respective Participating Affiliates and certain of their employees as associated persons within the meaning of Section 202(a)(17) of the Advisers Act, because FCAM and FBS India may, through such employees, contribute to the research process of the advisers who have deemed them to be Participating Affiliates, and may have access to information concerning which securities are being recommended to those advisers' U.S. clients prior to the effective dissemination of such recommendations. FCAM may also provide certain affiliates of FIAM, including FMR and its affiliates, with certain research relating to securities that are the subject of research it also provides to FIAM, and FBS India may also provide certain affiliates of FMR with certain research relating to securities that are the subject of research it provides to FMR. As Participating Affiliates of the respective advisers, each of FCAM and FBS India has agreed to submit itself to the jurisdiction of United States courts for actions arising under U.S. securities laws in connection with investment advisory activities conducted for the advisers' U.S. clients. FIAM and FMR each maintain a list of the employees of their respective Participating Affiliates whom it has deemed associated persons, which it will make available to current and prospective U.S. clients upon request.



## **Self-Indexing Funds**

Certain ETFs that have engaged FMRC as their investment advisor will track indices created and maintained by FMRC and/or its affiliates. Third parties will serve as sub-advisor for the ETFs and calculation agent for the indices. In addition, FMRC and/or its affiliates may manage other funds and accounts which track one or more of these indices or which are based on the same, or substantially similar, methodologies that are used in the operation of the indices. The foregoing may give rise to potential conflicts of interest, including trading based on prior knowledge of changes to the index's methodology or composition, allowing index changes that benefit FMRC and/or its affiliates or their other clients, and other conflicts related to the side-by-side management of multiple funds and accounts. FMRC has adopted policies and procedures designed to help manage such potential conflicts, which include information barriers, certain restrictions on personal trading and trade allocation policies. In addition, each self-indexing ETF is required to publicly disclose its holdings on a daily basis. There can be no assurance, however, that all conflicts have been addressed in all situations. For more information regarding conflicts of interests relating to personal trading and the management of multiple funds and accounts, see "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" on page 17 and "Brokerage Practices" on page 18.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING**

FMRC may purchase or sell for the accounts of clients securities in which FMRC's or its affiliates' in-house accounts (including institutional accounts), affiliates, directors, officers or employees have a position. This situation results, in part, from the breadth of securities purchased by FMRC's or its affiliates' varied clients and FMRC's and its affiliates' personnel being permitted to invest in securities for their personal accounts. The potential conflicts of interest involved in such transactions are governed by FMRC's Code of Ethics for Personal Investing ("Code"), which has been adopted and approved by the Board of Trustees of FMRC's or its affiliates' investment company clients in the Fidelity group of funds in accordance with Rule 17j-1 under the 1940 Act, and which incorporates the Adviser's Code of Ethics ("Adviser's Code") adopted in accordance with Rule 204A-1 under the Advisers Act.

The Code applies to all officers, directors, and employees of FMRC ("Advisory Personnel") and requires that they place the interests of FMRC's clients above their own. The Code establishes securities transactions requirements for all Advisory Personnel and their covered persons, including their spouses. More specifically, the Code: (i) requires Advisory Personnel and their covered persons to move their covered accounts to Fidelity Brokerage Services LLC unless an exception has been granted; (ii) requires pre-clearance of transactions in covered securities; (iii) requires reporting of transactions in covered securities on a quarterly basis; (iv) requires reporting of accounts and holdings of covered securities on an annual basis; (v) generally prohibits purchases or sales by portfolio managers of securities which are traded in client accounts within seven days before or after the trade; (vi) prohibits purchases of securities in initial public offerings unless an exception has been approved; (vii) prohibits investments in limited offerings without prior approval; and (viii) requires disgorgement of profits from short-term transactions unless an exception has been approved. Violation of the Code's requirements may also result in the imposition of remedial action.

In addition, the Adviser's Code, as incorporated in the Code: (1) describes the fiduciary duty Advisory Personnel have to FMRC's clients; (2) requires Advisory Personnel of FMRC to comply with federal securities laws; (3) requires Advisory Personnel of FMRC to report, and for FMRC to review, such Advisory Personnel's and their covered persons' mutual fund share transactions and holdings periodically (money market funds excepted) for funds advised by FMRC or an affiliate and certain other funds specified in the Code; (4) requires Advisory Personnel of FMRC to report any violations of the Code to FMRC's Ethics Office; and (5) requires FMRC to provide each Advisory Personnel with a copy of the Code and any amendments, and requires Advisory Personnel to acknowledge their receipt and understanding of the Code.

FMRC will provide a copy of its Adviser's Code, as integrated into the Code, to any client or prospective client upon request.

The purchase or sale of securities for the accounts of clients may be restricted in connection with distributions of securities where FMRC, its affiliates or their clients are proposing to act as selling shareholders in the distribution. Any such activity is evaluated in accordance with Regulation M under the Exchange Act, the 1940 Act and other applicable rules and regulations and may result in restrictions on the ability of client accounts to purchase or sell in the distribution and/or in the secondary market. FCM, a division of NFS, an affiliated broker-dealer of FMRC, may be a selling agent or principal underwriter in underwritings of municipal, equity or other securities which FMRC recommends to clients. The Trustees of FMRC's or its affiliates' mutual fund clients in the Fidelity group of funds evaluate any such activity by FMRC in accordance with Rule 10f-3 under the 1940 Act and procedures adopted pursuant to Rule 10f-3.

Conflicts of interest may arise where a portfolio manager considers investing a client account in securities of an issuer in which FMRC, its affiliates or their (or their fund clients') respective directors, officers or employees already hold a significant position for their own account, including positions held indirectly through certain funds or accounts managed by FMRC or one of its affiliated advisers. Such investments are evaluated in accordance with the 1940 Act, as well as other applicable laws and regulations, and there may be instances where FMRC or its affiliates' client accounts, including accounts sub-advised by third parties, are prohibited from participating in offerings of such securities (including initial public offerings and other offerings occurring before or after an issuer's initial public offering) or acquiring such securities in the secondary market. FMRC has adopted policies and procedures and maintains a compliance program designed to help manage such actual and potential conflicts of interest.

Conflicts of interest may arise if the funds' orders do not get fully executed due to being aggregated with those of other accounts managed by FMRC or an affiliate, including FMRC's or its affiliates' in-house accounts. FMRC has adopted policies and procedures (for example, trade allocation procedures) and maintains a compliance program designed to help manage these actual and potential conflicts. There can be no assurance, however, that all conflicts have been addressed in all situations. Trading in personal accounts, which may give rise to potential conflicts of interest, is restricted by a fund's Code.

From time to time, in connection with its business, FMRC may obtain material non-public information that is usually not available to other investors or the general public. In compliance with applicable laws, FMRC has adopted a comprehensive set of policies and procedures that prohibit the use of material non-public information by investment professionals or any other employees. FMRC also has procedures addressing the use of third party paid research consultants.

In addition, FMRC has implemented a policy on Business Entertainment and Workplace Gifts intended to set standards for business entertainment and gifts and help employees make sound decisions with respect to these activities and ensure that the interests of FMRC's clients come first. Similarly, to ensure compliance with applicable "pay to play" laws, FMRC has adopted a Political Contributions and Activity policy which requires all employees to pre-clear any political contributions and activity. FMRC also has a policy regarding commercial bribery and bribery of government officials that prohibits directly or indirectly giving, offering, authorizing, promising, accepting, or receiving any bribe, facilitation payment, kickback, or payoff (whether in cash or any other form) with the intent to improperly obtain or retain business or any improper advantage.

## **BROKERAGE PRACTICES**

### **Selection of Brokers and Dealers to Effect Client Transactions**

FMRC or its affiliates generally have authority to select brokers (whether acting as a broker or a dealer) to place or execute clients' portfolio securities transactions. FMRC or its affiliates may be responsible for the placement of portfolio securities transactions for certain client accounts for which an affiliate or related person has investment discretion. In selecting a broker or dealer for a specific securities transaction,

FMRC or its affiliates evaluate a variety of criteria and use good faith judgment in seeking to obtain execution of portfolio securities transactions at commissions or costs that are reasonable in relation to the brokerage and research services provided.

In selecting securities brokers, including affiliates of FMRC, to execute client portfolio securities transactions, FMRC or its affiliates consider the factors they deem relevant in the context of a particular trade and in regard to FMRC's or its affiliates' overall responsibilities with respect to the fund and other investment accounts including any instructions from the client's portfolio manager, which may emphasize, for example, speed of execution over other factors. Based on the factors considered, FMRC or its affiliates may choose to execute an order using electronic channels, including broker-sponsored algorithms, internal crossing, or by actively working an order. Other possibly relevant factors may include, but are not limited to, the following: price; the size and type of the securities transaction; the reasonableness of compensation to be paid, including spreads and commission rates; the speed and certainty of trade executions, including broker willingness to commit capital; the nature and characteristics of the markets for the security to be purchased or sold, including the degree of specialization of the broker in such markets or securities; the availability of liquidity in the security, including the liquidity and depth afforded by a market center or market-maker; the reliability of a market center or broker; the broker's overall trading relationship with FMRC or its affiliates; the trader's assessment of whether and how closely the broker likely will follow the trader's instructions to the broker; the degree of anonymity that a particular broker or market can provide; the potential for avoiding or lessening market impact; the execution services rendered on a continuing basis; the execution efficiency, settlement capability, and financial condition of the broker or dealer; arrangements for payment of fund expenses, if applicable; and the provision of additional brokerage and research products and services, if applicable.

The trading desks through which FMRC or its affiliates may execute trades are instructed to execute portfolio transactions on behalf of clients based on the quality of execution without any consideration of Research and Brokerage Services (as defined below) the broker or dealer may provide. The administration of Research and Brokerage Services is managed separately from the trading desks, which means that traders have no responsibility for administering soft dollar activities.

In seeking best qualitative execution for portfolio securities transactions, FMRC or its affiliates may select a broker that uses a trading method, including algorithmic trading, for which the broker may charge a higher commission than its lowest available commission rate. FMRC or its affiliates also may select a broker that charges more than the lowest commission rate available from another broker. FMRC or its affiliates may execute an entire securities transaction with a broker and allocate all or a portion of the transaction and/or related commissions to a second broker where a client does not permit trading with an affiliate of FMRC or in other limited situations. In those situations, the commission rate paid to the second broker may be higher than the commission rate paid to the executing broker. For futures transactions, the selection of a futures commission merchant is generally based on the overall quality of execution and other services provided by the futures commission merchant. FMRC or its affiliates may choose to execute futures transactions electronically.

If FMRC grants investment management authority to a sub-adviser, that sub-adviser will be authorized to provide the services described in the sub-advisory agreement. Furthermore, the sub-adviser's trading and associated policies, which may differ from FMRC's policies, may apply to that fund or account, subject to applicable law.

## **Identification and Resolution of Errors**

As an investment adviser, FMRC maintains policies and procedures that address the identification and correction of errors consistent with applicable standards of care and clients' investment management agreements. To the extent that an error occurs, FMRC's policy is to identify and resolve the error as promptly as possible. FMRC will address and resolve errors on a case by case basis, in its discretion, based on each error's facts and circumstances. FMRC is not obligated to follow any single method of resolving errors.

An incident is any occurrence or event that interrupts normal investment-related activities or that may deviate from applicable law, the terms of an investment management agreement, or applicable internal or external policies or procedures. Incidents can occur at FMRC or at one of FMRC's service providers, and can be identified by any of the same.

The determination of whether an incident constitutes an error is made by FMRC in its sole discretion based on the relevant facts and circumstances of each incident considered in light of the applicable standard of care. Errors may include, without limitation: (i) purchases or sales that exceed the amount of securities intended to trade for a fund or account; (ii) the purchase (or sale) of a security when it should have been sold (or purchased); (iii) the purchase or sale of a security not intended for the fund or account, and/or contrary to investment guidelines or restrictions; and (iv) incorrect allocations of trades.

Situations that generally would be considered by FMRC to be incidents but not errors include, without limitation, (i) failure by a portfolio manager to provide timely notification of an incorrect purchase of a security although the security purchased was appropriate for the fund or account; (ii) passive or active breach of an internal or account-level limit; and (iii) failure to update a portfolio manager in a timely manner regarding an increase in shares outstanding or additional room to buy for a security that had been at an aggregate limit.

Additionally, incidents involving fund monitoring or aggregate monitoring compliance violations may or may not be deemed by FMRC to be errors depending on the facts and circumstances. For example, an active breach of a client mandate or regulatory limit (e.g., due to an acquisition of additional securities for an account) may be deemed to be an error and may be compensable depending on the particular circumstances, but a passive breach of such a limit (e.g., due to a reduction in the issuer's outstanding securities) would not be considered an error and would not be compensable. Active breaches of issuer or regulatory limits, including poison pill limits, may be deemed to be errors and may be compensable depending on the circumstances, but passive breaches generally will not. Further, a passive breach of an aggregate limit on holdings of a security established internally by FMRC and its affiliates, and instances where all available aggregate capacity on a security is not fully utilized, generally are not considered errors and are not compensable, but an active breach of an internal aggregate limit may be deemed to be an error and compensable depending on the particular circumstances. To the extent that client accounts already own securities that directly or indirectly contribute to certain ownership thresholds being exceeded, FMRC may sell securities held in such accounts in order to bring account-level and/or aggregate ownership below the relevant threshold. If any such sales result in losses for client accounts, those client accounts may bear such losses depending on the particular circumstances.

FMRC is responsible for notifying, when appropriate, the affected client of an error. FMRC generally will not notify clients about incidents deemed not to be errors and non-compensable errors, unless otherwise agreed with particular clients. All errors requiring reimbursement to a Fidelity affiliated mutual fund or ETF of \$100,000 or more must be reported to the Compliance Committee (or other applicable Committee) of the fund's Board of Trustees at its next scheduled meeting.

When FMRC determines that reimbursement is appropriate, the account will be compensated as determined in good faith by FMRC. Resolution of errors may include, but is not limited to, permitting client accounts to retain gains or reimbursing client accounts for losses resulting from the error. The calculation of the amount of any loss will depend on the facts and circumstances of the error, and the methodology used by FMRC may vary. Unless prohibited by applicable regulation or a specific agreement with the client, FMRC will net a client's gains and losses from the error or a series of related errors with the same root cause and compensate the client for the net loss. In general, compensation is expected to be limited to direct monetary losses and will not include any amounts that FMRC deems to be speculative or uncertain, nor will it cover investment losses not caused by the error. FMRC may elect to establish an error account for the resolution of errors which could be used depending on the facts and circumstances.

## **Investment Research Products and Brokerage Services Furnished by Research Providers and Brokers**

FMRC or its affiliates may execute portfolio securities transactions with brokers that provide products and services that assist them in fulfilling their investment management responsibilities ("Research and Brokerage Services") in accordance with applicable law. Research and Brokerage Services that FMRC or its affiliates may have received during the last fiscal year include, when permissible under applicable law: economic, industry, company, municipal, sovereign (U.S. and non-U.S.), legal, or political research reports; market color; company meeting facilitation; compilation of securities prices, earnings, dividends and similar data; quotation services, data, information and other services; analytical computer software and services; and investment recommendations. In addition to receiving these Research and Brokerage Services via written reports and computer-delivered services, such reports may also be provided by telephone and in-person meetings with securities analysts, corporate and industry spokespersons, economists, academicians and government representatives and others with relevant professional expertise. FMRC or its affiliates may request that a broker provide a specific proprietary or third-party product or service. Some of these Research and Brokerage Services supplement FMRC's or its affiliates' own research activities in providing investment advice to their clients.

In addition, Research and Brokerage Services may include, when permissible under applicable law, those that assist in the execution, clearing and settlement of securities transactions as well as other incidental functions (including, but not limited to, communication services related to trade execution, order routing and algorithmic trading, post-trade matching, exchange of messages among brokers or dealers, custodians and institutions, and the use of electronic confirmation and affirmation of institutional trades).

Although FMRC or its affiliates do not use client commissions to pay for products or services that do not qualify as Research and Brokerage Services, they may use commission dollars to obtain certain products or services that are not used exclusively in FMRC's or its affiliates' investment decision-making process ("mixed-use products or services"). In those circumstances, FMRC or its affiliates will make a good faith judgment to evaluate the various benefits and uses to which they intend to put the mixed-use product or service, and will pay for that portion of the mixed-use product or service that does not qualify as Research and Brokerage Services with their own resources (referred to as "hard dollars").

To the extent permitted by applicable law, brokers who execute client transactions may receive compensation in recognition of their Research and Brokerage Services that is in excess of the amount of compensation that other brokers might have charged. In connection with the allocation of client brokerage, FMRC or its affiliates make a good faith determination that the compensation paid to brokers and dealers is reasonable in relation to the value of the Research and Brokerage Services provided to FMRC or its affiliates, viewed in terms of the particular transaction for the client or FMRC's or its affiliates' overall responsibilities to that client or other clients for which FMRC or its affiliates have investment discretion; however, each Research and Brokerage Service received in connection with a client's brokerage may not benefit the client. While FMRC or its affiliates may take into account the Research and Brokerage Services provided by a broker or dealer in determining whether compensation paid is reasonable, neither FMRC, its affiliates, nor their respective clients incur an obligation to any broker, dealer, or third-party to pay any Research and Brokerage Services (or portion thereof) by generating a specific amount of compensation or otherwise. Typically, these Research and Brokerage Services assist FMRC or its affiliates in terms of their overall investment responsibilities to a client or any other client accounts for which FMRC or its affiliates have investment discretion. Certain client accounts may use brokerage commissions to acquire Research and Brokerage Services that may also benefit other client accounts managed by FMRC or its affiliates.

FMRC's or its affiliates' expenses likely would be increased if they attempted to generate these additional Research and Brokerage Services through their own efforts or if they paid for these Research and Brokerage Services with their own resources. To minimize the potential for conflicts of interest, the trading desks through which FMRC or its affiliates may execute trades are instructed to execute portfolio transactions on behalf of clients based on the quality of execution without any consideration of Research and Brokerage Services the broker or dealer may provide. The administration of Research and

Brokerage Services is managed separately from the trading desks, which means that traders have no responsibility for administering soft dollar activities. Furthermore, certain of the Research and Brokerage Services that FMRC or its affiliates receive are furnished by brokers on their own initiative, either in connection with a particular transaction or as part of their overall services. Some of these Research and Brokerage Services may be provided at no additional cost to FMRC or its affiliates or have no explicit cost associated with them. In addition, FMRC or its affiliates may request that a broker provide a specific proprietary or third-party product or service, certain of which third-party products or services may be provided by a broker that is not a party to a particular transaction and is not connected with the transacting broker's overall services.

FMRC or its affiliates have arrangements with certain third-party research providers and brokers through whom FMRC or its affiliates effect client trades, whereby FMRC or its affiliates may pay with fund commissions or hard dollars for all or a portion of the cost of research products and services purchased from such research providers or brokers. If hard dollar payments are used, FMRC or its affiliates may still cause the client to pay more for execution than the lowest commission rate available from the broker providing research products and services to FMRC or its affiliates, or that may be available from another broker. FMRC or its affiliates view hard dollar payments for research products and services as likely to reduce the client's total commission costs even though it is expected that in such hard dollar arrangements the commissions available for recapture and used to pay client expenses, as described below, will decrease. FMRC's or its affiliates' potential determination to pay for research products and services separately is wholly voluntary on FMRC's or its affiliates' part and may be extended to additional brokers or discontinued with any broker participating in this arrangement.

## **Other Considerations and Brokerage Arrangements**

### ***Commission Recapture***

FMRC or its affiliates may allocate brokerage transactions to brokers (who are not affiliates of FMRC) who have entered into arrangements with FMRC or its affiliates under which the broker may rebate a portion of the compensation paid by a client account ("commission recapture"). Not all brokers with whom the client account trades have been asked to participate in brokerage commission recapture.

FMRC or its affiliates recommend that clients do not request them to direct client portfolio transactions to specific brokers. Clients may nonetheless make such requests, subject to FMRC's or its affiliates' attempts to seek quality execution and provided that the broker is an approved counterparty of FMRC or its affiliates. Clients should be aware that if they require FMRC or its affiliates to direct portfolio transactions to specific brokers, (a) FMRC or its affiliates may be unable to achieve most favorable execution of such directed transactions; (b) the client may pay higher brokerage commissions on such directed transactions because FMRC or its affiliates may be unable to aggregate such directed transactions with other orders; (c) the client may receive less favorable prices on such directed transactions; and (d) if eligible, a client may not simultaneously participate in commission recapture as well as a directed brokerage program established or subscribed to by the client.

### ***Transactions with Certain Brokers***

FMRC or its affiliates may place trades with certain brokers including NFS and LTA, with whom they are under common control or otherwise affiliated, provided FMRC or its affiliates determine that these affiliates' trade execution abilities and costs are comparable to those of non-affiliated, qualified brokerage firms, and that such transactions be executed in accordance with applicable rules under the 1940 Act and procedures adopted by the Board of Trustees or Directors (as applicable) of FMRC's clients in the Fidelity group of funds and subject to other applicable law. Where FMRC has engaged a sub-adviser for a fund or other client account, the sub-adviser may, subject to applicable regulatory limitations, place portfolio transactions with FMRC's affiliated broker-dealers.

In addition, FMRC or its affiliates may place client trades with brokers that use NFS or FCC as a clearing agent.

### ***Transactions Among Clients***

FMRC or its affiliates may execute transactions between mutual funds and other accounts they manage (either on an advisory or sub-advisory basis), as well as with certain other clients managed by their affiliates. Such transactions for clients in the Fidelity group of funds will be executed in accordance with applicable rules under the 1940 Act, the Advisers Act and procedures adopted by the Board of Trustees or Directors (as applicable) of FMRC's or FMRC's affiliates' clients in the Fidelity group of funds. FMRC or its affiliates may also execute transactions between non-mutual fund clients, and such transactions will be executed in accordance with applicable rules under the Advisers Act and procedures adopted thereunder. When FMRC or its affiliates engage in adviser cross transactions, where FMRC or its affiliates directly effect an agency transaction between advisory clients without involving a broker, FMRC or its affiliates will receive no compensation (other than its advisory fee), directly or indirectly, for the agency transaction.

### ***Non-U.S. Securities Transactions***

To facilitate trade settlement and related activities in non-U.S. securities transactions, FMRC or its affiliates may effect spot foreign currency transactions with foreign currency dealers. In certain circumstances, due to local law and regulation, logistical or operational challenges, or the process for settling securities transactions in certain markets (e.g., short settlement periods), spot currency transactions may be effected on behalf of clients by parties other than FMRC or its affiliates, including clients' custodian banks (working through sub-custodians or agents in the relevant non-U.S. jurisdiction) or broker-dealers that executed the related securities transaction.

## **Trade Allocation Policies**

### ***Bunched Trades***

It is generally FMRC's or its affiliates' practice, when appropriate, to combine or "bunch" orders of various accounts, including those of its clients, its affiliates' clients, and, in certain instances, proprietary accounts for order entry and execution. Bunched orders may be executed through one or more brokers. The allotment of trades among brokers is based on a variety of factors, which may include price, order size, the time of order, the security and market activity. A bunched trade executed with a particular broker is generally allocated pro-rata among the accounts that are participating in the bunched trade until any account has been filled. After any account has been filled, the trade is allocated pro-rata among any remaining accounts. Each broker's execution of a bunched order may be at a price different than another broker's bunched order execution price for the same security.

### ***Allocation of Trades***

FMRC and its affiliates have established allocation policies for their various accounts (including proprietary accounts) and securities types (e.g., equity, fixed income and high income) to ensure allocations are appropriate given clients' differing investment objectives and other considerations. These policies also apply to initial and secondary offerings. When, in FMRC's or its affiliates' opinion, the supply/demand is insufficient under the circumstances to satisfy all outstanding orders, across all securities types the amount executed generally is distributed among participating accounts based on account net asset size (for purchases) and security position size (for sales), or otherwise according to the allocation policies. With limited exceptions, the trading systems contain rules that allocate trades on an automated basis in accordance with these policies. Generally, any exceptions to FMRC's and its affiliates' policies (i.e., special allocations) must be approved by senior trading and compliance personnel and documented.

FMRC's and its affiliates' trade allocation policies identify circumstances under which it is appropriate to modify or deviate from the general allocation criteria and describe the alternate procedures. For allocations based on net assets, the trade allocation policies for each of equity, fixed income, and high income define the method of calculating net assets to be used depending on particular circumstances or needs. The high income and fixed income allocation policies define net assets generally by reference to each account's assets managed by the high income or fixed income divisions, respectively, and by reference to certain security and account types, such as high income or investment grade securities and accounts. For example, both the high income and fixed income trade allocation policies provide that 100% of a high income account's net assets may be taken into account when allocating high income securities, but only 1% of an investment grade bond account's or equity account's net assets may be taken into account when allocating high income securities to those accounts along with the high income accounts. The high income trade allocation policy also defines net assets similarly for bank loan and real estate accounts when acquiring bank loan and real estate securities, respectively. Additionally, under the fixed income allocation policy, when defining what constitutes net assets for separately managed account (SMA) clients when trading alongside other client accounts, SMAs that follow similar investment strategies may have their assets grouped into an omnibus trading account, where that omnibus trading account is treated as a single portfolio for allocation purposes. The equity trade allocation policy defines net assets generally by reference to each account's overall net assets. The equity trade allocation policy allows for certain specialized accounts, such as international, real estate investment, convertible securities, or other accounts to receive an increased allocation by increasing the weighting of an account's net assets by a factor of two or four where the securities correlate closely to the investment objective or focus of the account. Short sale and "buy to cover" transactions generally are subject to the same general allocation criteria as non-short sale transactions, and thus could experience significant delays in execution, which could materially impact the performance of accounts whose strategies rely on short sales.

Alternate allocation methods other than net asset size (for purchases) and security position size (for sales) may be employed under certain circumstances. The equity trade allocation policy provides for the execution of program trades and short sales notwithstanding the existence of active orders for individual securities on the trading desk, provided that consideration is given to whether the program trade or short sale might have a material effect on these active orders. The policy also allows for accounts designed to have proportionately identical portfolios (e.g., one portfolio modeled on another portfolio) to receive proportional allocations when allocations on net assets or holdings size would yield a non-proportional result. The fixed income trade allocation policy allows for several alternate allocation methods, in some cases only where the portfolio managers of all accounts involved in the allocation agree to the use of the alternate method(s). These alternate methods include pro rata allocations based on the size of the accounts' orders; rotating investment opportunities among accounts that trade consistently on specific trading desks (e.g., taxable bond desks or money market desks); bunching securities or other investments that may be deemed to be fungible and then allocating the bunched orders on a series basis so as to keep like-securities or other investments grouped together; and/or providing a priority allocation for trades the execution of which are contingent on the execution of other trades. The fixed income trade allocation policy also provides for increased or priority allocations for accounts specializing in a particular type of security or other investment. These include priority allocations for certain accounts for repurchase agreements; increased allocations of municipal securities to single state municipal money market and municipal bond accounts for obligations that are tax-exempt within their state; and a priority allocation of U.S. Treasury money market securities to Treasury-only money market accounts.

All of the trade allocation policies generally provide for minimum allocations based on market-defined minimum denominations, or otherwise may allow increased or decreased allocations (i) to avoid a *de minimis* allocation, (ii) to round to a trading round lot, or (iii) in the case of the high income trade allocation policy, to complete a sale of all holdings in order to avoid residual holdings in an amount less than a basic unit of trading. Trade allocations may also be impacted by various regulatory requirements depending on where the trade is executed and what types of accounts are included in the trade. In such circumstances, some accounts may need to be prioritized over others when supply/demand is insufficient (e.g., client accounts receive priority of allocation over proprietary accounts). Accounts for which all the assets are those of FMRC or its affiliates and are not otherwise used to seed new investment products or to meet



potential claims of insurance policyholders are generally considered to be proprietary accounts. Accounts owned or managed for the benefit of individual employees of FMRC or its affiliates or officers or trustees of various investment products are generally considered client accounts, subject to applicable law.

## **REVIEW OF ACCOUNTS**

Portfolio management assignments are made based on several factors, including the relevant experience and ability of the managers, the complexity of the funds' mandate and structure, and similarities among funds assigned to a manager. Each portfolio manager regularly reviews the holdings in the funds or accounts for which he or she is responsible.

Portfolio managers may draw on a large research and trading staff of FMRC or its affiliates for support. FMRC's and its affiliates' investment activities are organized on a group basis, with portfolio managers of similar accounts forming these groups. There are various groups directly related to portfolio management and other groups comprising FMRC's or its affiliates' fundamental research departments, each of which has a Chief Investment Officer or Managing Director of Research. Each Chief Investment Officer and Managing Director of Research regularly receives detailed analysis of the funds in their oversight groups, and conducts periodic fund reviews with each manager. In addition, FMR's Asset Management Compliance group monitors the funds' and accounts' trading activity for compliance with applicable regulations.

The Trustees of each investment company client review at least annually the activities of FMRC's responsible portfolio managers, and review on a regular basis the performance of the Fidelity Funds. FMR's Treasurer's Office continuously monitors the operations of the Fidelity Funds. FMRC may also provide investment advisory services on a discretionary or non-discretionary basis to other entities, or clients of other entities, related or unrelated to FMRC. These entities, or their clients, may similarly review the activities of FMRC's portfolio managers and other investment professionals.

Members of the Board of Trustees of each of FMRC's or its affiliates' investment company clients in the Fidelity group of funds are supplied periodic reports providing, among other items, comparative performance data, sales and redemptions of shares information, and certain brokerage commission reports.

FMRC generally supplies similar data in its capacity as a sub-adviser. Reports to other non-investment company clients may be prepared as requested by such clients. In limited circumstances in response to client inquiries, FMRC or its affiliates may provide research related information with respect to securities held in the relevant client's portfolio, in some instances on a delayed basis. For the Qualified Tuition Programs, the client's governing body is supplied periodic reports providing comparative performance, among other items, data, sales and redemptions of shares information. Audited annual reports are made available to the shareholders of each such client.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

FMRC does not have client referral arrangements.

## **CUSTODY**

FMRC may be deemed to have custody of client assets because certain of its related persons may have the legal capacity to access collective fund clients' accounts (even though an independent, qualified custodian has been appointed by such clients to serve as custodian). Additionally, FMRC may be deemed to have custody of client assets because a related person of FMRC maintains client funds or securities as a qualified custodian.

Such clients will receive account statements from the qualified custodian that has been appointed to serve as custodian with respect to the clients' accounts. Clients who receive these statements should review them carefully.

## **INVESTMENT DISCRETION**

FMRC's discretionary authority to manage accounts on behalf of its clients and any limitations that may be imposed on such authority are described in "Advisory Business" on page 4.

FMRC and its affiliates exercise discretionary authority on behalf of their mutual fund and ETF clients pursuant to management contracts and sub-advisory agreements (together, the "Advisory Contracts"). The Advisory Contracts are entered into in accordance with Section 15 of the 1940 Act, and approved and renewed by each fund's Board of Trustees, including the Independent Trustees. In approving the Advisory Contracts, the Board of Trustees authorizes by resolution FMRC's and its affiliates' ability to exercise discretionary authority, and the Advisory Contracts contain the terms and limitations, if any, with regard to the authority granted.

In considering whether to approve or renew the Advisory Contracts for a fund, the Board of Trustees considers all factors it believes relevant, including (i) the nature, extent, and quality of the services to be provided to the fund and its shareholders (including the investment performance of the fund); (ii) the competitiveness of the fund's management fee and total expenses; (iii) the total costs of the services to be provided by and the profits to be realized by FMRC or its affiliates from its relationship with the fund; (iv) "fallout benefits," if any, FMRC or its affiliates receive as a result of their relationship with the fund; and (v) the extent to which economies of scale would be realized as the fund grows and whether fee levels reflect these economies of scale, if any, for the benefit of fund shareholders.

With respect to FMRC's or its affiliates non-registered investment company clients, FMRC or its affiliates provide advisory services pursuant to management or sub-advisory agreements, the terms of which are negotiated with such clients. As with FMRC's or its affiliates' mutual fund and ETF clients, the management and/or sub-advisory agreements contain the terms and limitations, if any, with regard to the authority granted.

## **VOTING CLIENT SECURITIES**

When authorized by clients, FMRC or its affiliates generally cast votes on behalf of client accounts by proxy at shareholder meetings of issuers in which FMRC or its affiliates invest client assets. The Boards of Trustees of the Fidelity Funds have established formal written proxy voting guidelines (the "Guidelines") that are designed to ensure that proxies on behalf of the Fidelity Funds are voted in a manner consistent with the best interests of shareholders. FMR has also adopted these Guidelines as part of its proxy voting policies and procedures in accordance with Rule 206(4)-6 under the Advisers Act.

FMRC or its affiliates vote on behalf of the Fidelity Funds in accordance with the Guidelines that have been approved by the Boards of Trustees of the Fidelity Funds. The power to vote or direct the voting of shares owned directly by the Fidelity Funds resides with each Fund's Board of Trustees, who have delegated to FMRC or an affiliate the responsibility of carrying out the voting of shares owned by the Fidelity Funds in accordance with the Guidelines. FMR's Investment Proxy Research Group ("IPR") casts the votes on behalf of the Fidelity Funds. Generally, FMR retains the authority granted by the Board of Trustees of the Fidelity Funds to vote proxies under these Guidelines when acting on behalf of the Fidelity Funds; however, where FMRC or its affiliates are granted authority to vote such proxies when acting as advisers or sub-advisers to the Fidelity Funds, they do so in accordance with the Guidelines and FMR's proxy voting policies and procedures.

Except as set forth in the Guidelines, FMRC or its affiliates will generally vote on proposals based on an evaluation of a proposal's likelihood to enhance the long-term economic returns or profitability of the portfolio company or to maximize long-term shareholder value.

For proposals not covered by the Guidelines or that involve other special circumstances, FMRC evaluates them on a case-by-case basis with input from the appropriate FMRC analyst or portfolio manager with review by an attorney within FMRC's General Counsel's office, senior management of Fidelity Asset Management, and a member of senior management within IPR. If there is a significant pattern of these proposals or other special circumstances, FMRC will refer them to the appropriate Fidelity Fund Board Committee.

### **Proposals Relating to Director Elections**

FMRC or its affiliates generally will withhold authority for the election of all directors or directors on responsible committees if: a poison pill or other anti-takeover provision was adopted or extended without shareholder approval; options were repriced without shareholder approval; the board is not composed of a majority of independent directors; the director attended less than 75% of the aggregate number of board and committee meetings during the company's prior fiscal year; or the company has not adequately addressed concerns communicated by FMRC in the process of discussing executive compensation. FMRC and its affiliates will generally support proposals calling for directors to be elected by a majority of votes cast, provided that the proposal allows for plurality voting standard in the case of contested elections. FMRC and its affiliates may consider voting against such shareholder proposals where a company has adopted an alternative measure, such as a director resignation policy, that provides a meaningful alternative to the majority voting standard and appropriately addresses situations where an incumbent director fails to receive the support of a majority of the votes cast in an uncontested election.

In uncontested elections, FMRC and its affiliates will generally vote in favor of incumbent and nominee directors except where a director has failed to exercise reasonable judgment. FMRC and its affiliates will generally withhold authority on the election of all directors or directors on responsible committees if the directors acted contrary to certain aspects of the Guidelines during the period.

FMRC and its affiliates believe that strong management creates long-term shareholder value and we generally support management of companies in which the Fidelity Funds' and other clients' assets are invested. In contested elections, FMRC and its affiliates will vote on a case-by-case basis, taking into account factors such as management's track record and strategic plan for enhancing shareholder value; the long-term performance of the target company compared to its industry peers; the qualifications of the shareholder's and management's nominees; and other factors. Ultimately, FMRC and its affiliates will vote for the outcome they believe has the best prospects for maximizing shareholder value over the long term.

### **Proposals Relating to Executive Compensation**

FMRC or its affiliates generally will vote for proposals to ratify executive compensation unless such compensation appears misaligned with shareholder interests or is otherwise problematic, taking into account: (i) the actions taken by the board or compensation committee in the previous year, including whether the company repriced or exchanged outstanding stock options without shareholder approval; adopted or extended a Golden Parachute without shareholder approval; or adequately addressed concerns communicated by FMRC in the process of discussing executive compensation; (ii) the alignment of executive compensation and company performance relative to peers; and (iii) the structure of the compensation program, including factors such as whether incentive plan metrics are appropriate, rigorous and transparent; whether the long-term element of the compensation program is evaluated over at least a three-year period; the sensitivity of pay to below median performance; the amount and nature of non-performance-based compensation; the justification and rationale behind paying discretionary bonuses; the use of stock ownership guidelines and amount of executive stock ownership; and how well elements of compensation are disclosed.

## **Proposals Relating to Equity Compensation Plans**

The Guidelines generally oppose plans or amendments to plans that: have option exercise prices less than 100% of fair market value on the date of grant; include an evergreen provision; provide for the acceleration of vesting of equity awards even though an actual change in control may not occur; give the ability to reprice outstanding stock options without shareholder approval; or cause excessive dilution to shareholders by considering the average three-year burn rate, based on the company's market capitalization. Large-capitalization companies are those included in the Russell 1000® Index or the Russell Global ex-U.S. Large Cap Index; small-capitalization companies are those not included in the Russell 1000® Index or the Russell Global ex-U.S. Large Cap Index that are not micro-capitalization companies; and micro-capitalization companies are those with a market capitalization under US \$300 million.

## **Proposals Relating to Changes in Corporate Control**

The Guidelines generally oppose measures that are designed to prevent or obstruct corporate takeovers. Such measures include: fair price amendments, classified boards, "blank check" preferred stock, executive "golden parachutes," shareholders rights plans ("poison pills"), supermajority provisions, restricting shareholders' right to call special meetings or to set board size, and any other provision that eliminates or limits shareholder rights.

## **Proposals Relating to Shareholder Rights**

The Guidelines generally: (i) support simple majority voting, (ii) oppose cumulative voting, (iii) support confidential voting, and (iv) oppose new classes of stock with differential voting rights.

## **Proposals Relating to Environmental and Social Issues**

FMRC or its affiliates generally will vote in a manner consistent with management's recommendation on shareholder proposals concerning environmental or social issues, as they believe that management and the board are in the best position to determine how to address these matters. In certain cases, however, FMRC or its affiliates may support shareholder proposals that request additional disclosures from companies regarding environmental or social issues, where they believe that the proposed disclosures could provide meaningful information to the investment management process without unduly burdening the company. For example, FMRC or its affiliates may support shareholder proposals calling for reports on sustainability, renewable energy, and environmental impact issues. FMRC or its affiliates also may support proposals on issues such as equal employment, and board and workforce diversity.

## **Conflicts of Interest**

The Guidelines have been designed so that proxies are voted in the best interests of FMRC's and its affiliates' clients, and to resolve potential conflicts of interest. Potential conflicts generally may arise in connection with business arrangements of FMRC or its affiliates. For example, FMRC's affiliates may manage or administer employee benefit plans, or provide brokerage, underwriting, insurance, or banking services to a company whose management is soliciting proxies. FMRC or its affiliates may also have business or personal relationships with participants in proxy contests, corporate directors or candidates for directorships. FMRC or its affiliates vote shares in a manner consistent with the Guidelines and without regard to any other relationship, business or otherwise, that FMRC or its affiliates may have with companies in which FMRC or its affiliates invest client assets.

IPR, which is part of FMRC's Investment Operations department, is charged with administering the Guidelines as agent to facilitate the voting of proxies relating to portfolio securities held by the Fidelity Funds. IPR votes proxies without regard to any other Fidelity companies' relationship, business or otherwise, with that portfolio company. Like other Fidelity employees, IPR employees have a fiduciary duty to never place their own personal interest ahead of the interests of fund shareholders. Fidelity

employees, including IPR, are instructed to avoid situations that could present even the appearance of a conflict. In the event of a conflict of interest, Fidelity employees are required to follow the escalation process included in Fidelity's corporate policy on conflicts of interest.

A complete set of the Guidelines, as well as information on how the Fidelity Funds' proxies were voted, may be obtained on [www.fidelity.com](http://www.fidelity.com).

In certain cases, clients have not provided FMRC the authority to vote proxies. Such clients should obtain proxies from their custodian or other service provider.

If FMRC has engaged a sub-adviser, that sub-adviser may vote proxies according to its own proxy voting guidelines and policies, which may differ from the Guidelines, for those Fidelity Funds (or portions thereof) for which the sub-adviser has been granted such authority.

## **FINANCIAL INFORMATION**

FMRC does not solicit prepayment of client fees. Furthermore, there are no financial conditions that are reasonably likely to impair FMRC's ability to meet any of its contractual commitments to its clients.

## **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

FMRC is not registered with any state securities authority.